



North Texas Medical Center
1900 Hospital Boulevard
Gainesville, Texas 76240
940.665.1751

March 24, 2017

The Honorable Chief Judge Brenda T. Rhoades
c/o Marianne Denning, Judicial Assistant
United States Federal Courthouse
660 N. Central Expressway #300
Plano, Texas 75074

RE: Petition #17-40101; In Re: Gainesville Hospital District; United States Bankruptcy Court,
In the Eastern District of Texas (Sherman)

Dear Judge Rhoades:

I write to you on behalf of the Board of Directors of the Gainesville Hospital District. As you are aware, the District filed under Chapter 9 on January 17, 2017. This step was taken by our Board with great caution, but with the best interests of our community as our priority.

Our local hospital has suffered from multiple blows, including declining reimbursement on the federal level, the failure of Texas to expand the Medicaid program, and competitive pressure from the larger, better capitalized metroplex hospitals. We have been engaged in a difficult struggle to maintain health care in our local community.

We have recently become aware of a new participant in our Chapter 9 case. We understand a Creditors Committee was formed and has hired legal counsel. We further understand that the addition of this new participant will likely add as much as \$500,000.00 in legal fees and costs to the taxpayers of the District. While that may not seem significant to many of the participants in this matter, please be assured that it is significant to the District.

Further, we understand that our creditors would be paid 100% regardless of the involvement of this law firm, and also understand the law firm's involvement will make no material difference in the timing of payments to creditors.

We are taking this opportunity to voice, in the strongest possible terms, our opposition to these additional costs in the pending Chapter 9 case.

It appears that because our community and hospital are small and our Board lacks expertise in the area of bankruptcy, the District and its taxpayers are being taken advantage of in this process. Many of our taxpayers are small homeowners and struggle to meet their everyday obligations. It is irresponsible to place an additional burden on them by requiring them to pay added expenses.



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We urge you to review this matter. While we understand this process has expenses, the taxpayers of our District should not be made responsible for unnecessary fees or costs which do not bring value to the process.

Thank you for your attention to our concerns.

Very truly yours,

A handwritten signature in cursive script, reading "Robbie Baugh".

Robbie Baugh
Chair, Board of Directors
Gainesville Hospital District